

MOTION BY SUPERVISOR GLORIA MOLINA

February 27, 2007

The County owns a 9,112 square foot building (the "Building") located at 6336 South Passons Boulevard, Pico Rivera (the "Property"). The Building is the former Pico Rivera Health Center, which was closed in 2002 as a result of the restructuring of the delivery model used to provide outpatient health services within the County.

Since that time, the County has explored a number of reuse scenarios for the Property, all of which have been deemed unacceptable to the City of Pico Rivera (the "City") because they conflicted with the existing zoning designated as "public use." However, in conjunction with City officials, the County has identified a compromise use that would allow the Building to be reopened by a private non-profit organization for outpatient medical purposes.

Specifically, AltaMed Health Services ("AltaMed"), a 501 (c)(3) corporation, has proposed to reopen the facility as a licensed adult day health care center providing a variety of health, therapeutic and social services targeting elderly citizens who are most at risk of being placed in a nursing home if such services were not readily available. Because many of the participants in these types of programs utilize assistive devices (such as canes, walkers and wheelchairs) to facilitate ambulation, the labor intensive means of transporting them to point-of-service locations limits their geographical reach. Therefore, the City recognizes that these services will be targeting local residents who likely already live in the City, and the City therefore supports the change in use from public to private.

In accordance with standards set by the California Department of Aging, AltaMed

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Burke _____

Knabe _____

Antonovich _____

Yaroslavsky _____

will implement programs that restore and maintain optimal capacity for self-care by elders and physically or mentally impaired adults and delay or prevent inappropriate institutionalization. The objective of AltaMed's programs is to emphasize partnership with the participant, the family, the physician and the community in working towards maintaining the personal independence of the individuals under AltaMed's care. Additionally, AltaMed will be responsible for obtaining all of the City approvals necessary to reopen the facility.

THEREFORE, AS AUTHORIZED BY GOVERNMENT CODE SECTION 26227,

I, MOVE, THAT THE BOARD:

1. Find that the Property is not needed for County purposes.
2. Find that the proposed conveyance of the Property is categorically exempt from California Environmental Quality Act (CEQA) under Class 12 of the County's Environmental Document Reporting Procedures and Guidelines and Section 15312 of the state CEQA Guidelines (Surplus Government Property Sales).
3. Find that the outpatient health services provided by AltaMed targeting elders and physically or mentally impaired adults serve public purposes which benefit the County and its residents.
4. Approve the conveyance of the Property to AltaMed Health Services Corporation on a gratis basis in exchange for AltaMed's commitment, for a 30-year period, to provide the funds, staff and management to operate a day-care center targeting elders at the subject Property, subject to the condition that the Property will be used continuously and exclusively for adult day-care purposes and that the Property is not to become blighted. The Property and services provided thereon shall be equally open and available to County residents of incorporated and unincorporated territory, and there shall be no discrimination against or preference, gratuity, bonus or other benefits given to County residents of incorporated areas not equally accorded

County residents of unincorporated territory. In the event AltaMed does not comply with operating an adult day-care center and/or fails to continuously maintain a license customarily issued for such facilities by the State of California or other jurisdiction having responsibility for such licensing during the 30-year period, then all right, title and interest in the subject Property shall automatically revert back to the County of Los Angeles.

5. Include an encumbrance upon the Property providing that in the event the Property is sold after a period of 30 years, then AltaMed and the County shall split the sales price (less the cost of typical sales expenses including a broker fee, if paid) 50/50 and if in the County's sole opinion the sale is for less than the Property's fair market value, then upon sale, the County shall be paid 50 percent of the fair market sales value of the Property as determined by appraisal.
6. Authorize the Chief Administrative Office (CAO) to negotiate terms of the conveyance to AltaMed, including a conveyance agreement, and instruct the Chairman to sign the agreement upon presentation, subject to prior approval by County Counsel.
7. Instruct the Chairman to sign the quitclaim deed upon presentation, subject to prior approval by County Counsel.
8. Authorize the CAO to finalize and/or execute all other documents necessary to complete the subject transaction, and for the Auditor-Controller to deposit the net proceeds from any future sale of the Property in the Asset Development Implementation Fund.

REAL PROPERTY CONVEYANCE AGREEMENT

THIS REAL PROPERTY CONVEYANCE AGREEMENT ("Agreement") is made and entered into as of the 31st day of May, 2007 by and between the **COUNTY OF LOS ANGELES** ("Grantor"), and **ALTAMED HEALTH SERVICES CORPORATION** ("Grantee"). Based upon the mutual consideration provided for herein, Grantor and Grantee agree as follows:

1. Conveyance. Grantor is the owner of certain real property located at 6336 Passons Boulevard, in the City of Pico Rivera, County of Los Angeles, State of California and legally described in Exhibit A, attached hereto and incorporated herein by reference, (the "Property"). Grantor desires to sell the Property, and convey it to Grantee, and Grantee desires to accept the conveyance the Property and accept it from Grantor, for the consideration and on the terms and conditions hereinafter set forth.

2. Conveyance Price. The conveyance price ("Conveyance Price") for the Property is on a gratis basis and in consideration for Grantee's commitment to perform as provided in paragraph 4.

3. Costs. All costs and expenses related to this transaction shall be paid by Grantee, including, but not limited to, the cost of a title insurance policy, and all documentary transfer taxes and document drafting, recording and any other miscellaneous charges and fees. In the event any cost or expense is paid by Grantor, Grantee shall immediately upon Grantor's request remit a check payable to the County of Los Angeles in an amount equal to such costs and expenses.

4. Conveyance and Closing Date. Grantor shall convey the Property to Grantee, by quitclaim deed (the "Deed"), on or before June 15, 2007, (the "Closing Date") , subject to:

- A) All taxes, interest, penalties and assessments of record assessed, but not yet due, if any;
- B) Covenants, conditions, restrictions, reservations, easements, licenses, rights, and rights-of-way of record, if any;
- C) Grantor reserves to itself and exception from the conveyance contemplated herein of all oil, gas, hydrocarbons, or other minerals in and under the Property without the use of the surface or subsurface, to a depth of 500 feet, measured vertically, from the surface of the Property.
- D) For a period of 30-years commencing upon the date the Deed is recorded with the Registrar/Recorder of the County of Los Angeles ("30-Year Period"), at all times and under all conditions, Grantee agrees to provide the funds, staff, management, and to provide all

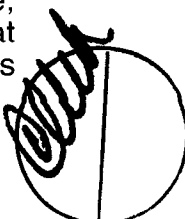
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related services including medical, therapeutic, social, dental, pharmacological, etc. to operate a day-care center targeting elders at the Property, subject to the condition that the Property will be used continuously and exclusively for the adult day-care purposes and that the Property is not to become blighted.

- E) During the 30-Year-Period, at all times and under all conditions, said Property and all services provided thereon shall be equally open and available to County of Los Angeles residents of incorporated and unincorporated territory and Grantee shall not discriminate against or provide preference, gratuity, bonus or other benefit given County residents of the incorporated area not equally accorded County residents of the unincorporated territory and in doing so, Grantee will comply with all applicable laws regarding to whom services may be provided.
- F) During the 30-Year Period, at all times and under all conditions, the Property shall be continuously and exclusively operated (defined as open to the public at reasonable times but not closed to the public for a period exceeding 30 continuous days, except where an Act of God, terrorist attack, or labor strike has occurred and has prevented continuous operation) by Grantee providing a variety of health, therapeutic and social services including medical, therapeutic, social, dental, pharmacological, etc. targeting elderly citizens at the Property. In the event Grantee does not comply with operating an adult day-care center and/or fails to continuously maintain a license customarily issued for such facilities by the State of California or other jurisdiction having responsibility for such licensing during the 30-Year Period, then all right, title, and interest in the Property shall automatically revert back to the Grantor.
- G) In the event that the Property is sold after the 30-Year-Period, upon sale of the Property, then Grantee and Grantor shall split the sales price (less the cost of typical sales expenses including a broker fee, if paid) 50/50 and if, in the Grantor's sole opinion, the sale is for less than the Property's fair market value, then upon sale, the Grantor shall be paid 50% of the fair market sales value of the Property as determined by appraisal.

5. Title. Grantee understands that the Property is being conveyed without any warranty regarding the condition of title to the Property; Grantee accepts all matters of record and understands that Grantor will not provide a policy of title insurance and makes no representations or warranties as to condition of title. Grantor recommends that Grantee retain, at Grantee's sole cost and expense, a licensed title company to issue a policy of title insurance. Grantee agrees that the condition of title shall not be cause for Grantee's cancellation of this Agreement.



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6. Recording. Grantor shall prepare the Deed indicating title to the Property to be vested in the name of the Grantee as follows: AltaMed Health Services Corporation and shall cause the Deed to be recorded in the official records of the Registrar Recorder, County of Los Angeles ("Recorder") upon execution of this Agreement.

7. Delivery of Deed. Grantor shall transmit to Grantee a copy of the Deed stamped by the Recorder, the original of which shall be mailed to the Grantee by the Recorder at the address for notice to Grantee pursuant to Section 14 hereof.

8. Condition of the Property.

A) Grantee acknowledges that Grantee is purchasing the Property "as is," solely in reliance on Grantee's own investigation, and that no representation or warranty of any kind whatsoever, express or implied, has been made by Grantor or Grantor's agents. Any information given or disclosure made to Grantee by Grantor or Grantor's agents concerning the Property shall not constitute a representation or warranty made by Grantor. Grantee has been given the full opportunity to inspect the Property prior to execution of this Agreement. Grantee shall assume the cost and expense for the removal of all contaminated materials, toxic or hazardous substances, and asbestos, if any, on the Property.

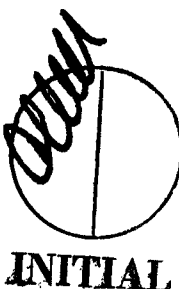
B) Grantor has disclosed to Grantee the following information that impacts Grantee's use of the Property:

The City of Pico Rivera is in the process of amending their general plan to allow uses such as those proposed by the Grantee, including operation of a licensed adult day health care center providing a variety of health, therapeutic, and social services, including medical, therapeutic, social, dental, pharmacological, etc targeting elderly citizens, who are most at risk of being placed in a nursing home. In the event, the City does not implement this general plan change, the proposed uses, including those listed above, may not be allowed pursuant to the current zoning.

Such disclosures are not exhaustive and do not imply that no other conditions impact Grantee's use of, or the value of, the Property or that other conditions are not known to Grantor.

C) Grantee also acknowledges that it is aware of all zoning regulations, other governmental requirements, site and physical conditions, and all other matters affecting the use and condition of the Property, and Grantee agrees to accept the conveyance the Property in said condition.

D) Grantee waives any and all claims, and agrees to indemnify,

A handwritten signature in black ink is written over a large circle. Below the circle, the word "INITIAL" is printed in a bold, black, sans-serif font.

defend, save, and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents, from and against any and all liability, expense (including defense costs and legal fees), and claims for damages of any nature whatsoever.

9. Possession/Risk of Loss. All risk of loss or damage with respect to the Property shall pass from Grantor to Grantee upon recordation of the Deed.

10. Brokerage Commission. Grantee and Grantor hereby acknowledge and represent that there are no broker's commission or finder's fees due in connection with the transaction contemplated by this Agreement. Each party shall indemnify and hold the other party harmless from any claim of any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of either party with respect to the transaction contemplated hereunder.

11. Conflicts. In the event of a conflict between the provisions of this Agreement and the provisions of any other documents executed or agreement made or purported to be executed or made between the parties prior to the date hereof, the provisions contained in this Agreement shall in all instances govern and prevail.

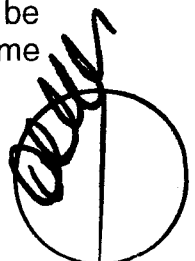
12. Assignment. Grantee shall not assign or attempt to assign this Agreement or any rights hereunder, to any other person or entity without the Grantor's prior written consent. Any such assignment or purported assignment without the Grantor's prior written consent shall be null and void and of no force and effect whatsoever.

13. Notices. All notices, demands and requests required or desired to be given pursuant to this Agreement by either party shall be sent by United States Mail, registered or certified postage prepaid, and addressed to the parties as follows:

Grantor: County of Los Angeles
Chief Administrative Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Carlos Brea, Manager
Property Management

Grantee: AltaMed Health Services Corporation
500 Citadel Drive, Suite 490
Los Angeles, CA 90040
Attention: ~~Maria Torres~~ Castulo de la Rocha,
President & CEO

Notices, demands, and requests served in the above manner shall be considered sufficiently given or served for all purposes under this Agreement at the time the notice, demand, or request is postmarked to the addresses shown above.



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14. Time is of the Essence. Time is of the essence for each and every term, condition, covenant, obligation and provision of this Agreement.

15. Grantor's Remedies. In the event of Grantee's failure to consummate the transaction contemplated by this Agreement, Grantor shall have all remedies in law or equity, and shall be entitled to enforce this Agreement and to obtain the benefit of the bargain contained herein.

16. County Lobbyist Ordinance. Grantee is aware of the requirements of Chapter 2.160 of the Los Angeles County Code with respect to County Lobbyists as such are defined in Section 2.160.010 of said Code, and certifies full compliance therewith. Failure to fully comply shall constitute a material breach upon which County may terminate or suspend this Agreement.

17. Severability. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal, or unenforceable such portion shall be severed from the Agreement, and the remaining parts hereof shall remain in full force and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of the Agreement, provided the remaining Agreement can be reasonably and equitably enforced.

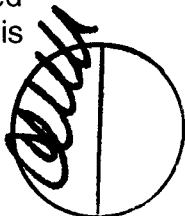
18. Binding on Successors. Subject to the limitations set forth herein, the Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

19. California Law. This Agreement shall be construed in accordance with the internal laws of the State of California.

20. Waivers. No waiver by either party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision.

21. Captions. The captions and the section and subsection numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such sections of this Agreement nor in any way affect this Agreement.

22. No Presumption Re: Drafter. The parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this Agreement reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.



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24. Required Actions of Grantee and Grantor. Grantee and Grantor agree to execute all such instruments and documents and to take all action as may be required in order to consummate the conveyance herein contemplated.

26. Survival of Covenants. The covenants, agreements, representations and warranties made herein are intended to survive the consummation of the conveyance of the Property and recordation of the Deed.

28. Entire Agreement. This Agreement contains the entire agreement between the parties herein, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both Grantor and Grantee.

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IN WITNESS HEREOF, the parties have executed this Agreement as of the day and year first written above.

"GRANTEE"

ALTAMED HEALTH SERVICES CORPORATION

By: *Castulo de la Rocha*
 Name: Castulo de la Rocha
 Its: President & CEO

By: _____
 Name: _____
 Its: _____

Upon approval of this Agreement, a signed copy will be mailed to Grantee.

"GRANTOR"

COUNTY OF LOS ANGELES

By: *Ben Yarusland*
 Chairman, Board of Supervisors

ATTEST:

Sachi A. Hamai
 Executive Officer, Clerk of the Board of Supervisors

By: *[Signature]*
 Deputy



I hereby certify that pursuant to
 Section 25103 of the Government Code,
 delivery of this document has been made.

SACHI A. HAMAI
 Executive Officer
 Clerk of the Board of Supervisors

By: *[Signature]*
 Deputy

APPROVED AS TO FORM:
 RAYMOND G. FORTNER, JR.

By: *Stephanie Brody*
 Stephanie Brody, Senior Associate

ADOPTED
 BOARD OF SUPERVISORS

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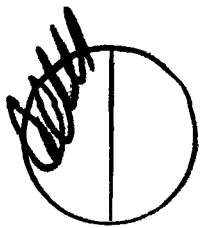
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Sachi A. Hamai
 SACHI A. HAMAI
 EXECUTIVE OFFICER

LEGAL DESCRIPTIONPARCEL A

THAT PORTION OF LOT 3, RIVER BLOCK SUBDIVISION OF THE RANCHO PASO DE BAROLO IN THE CITY OF PICO RIVERA, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGES 204 AND 205, AND IN BOOK 23, PAGES 55 AND 56 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF TRACT NO. 15667, AS PER MAP RECORDED IN BOOK 348, PAGE 29 and 30 OF MAPS, RECORDS OF SAID COUNTY, SAID CORNER BEING A POINT IN THE SOUTHEASTERLY LINE OF PASSONS BOULEVARD, 40 FEET WIDE AS SHOWN ON SAID MAP; THENCE ALONG SAID SOUTHEASTERLY LINE SOUTH $27^{\circ} 30' 32''$ WEST 183.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH $62^{\circ} 36' 53''$ EAST PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID TRACT NO. 15667, A DISTANCE OF 380.41 FEET TO A POINT IN THE NORTHWESTERLY LINE OF TRACT NO. 30288, AS PER MAP RECORDED IN BOOK 741, PAGE 88 OF MAPS, RECORDS OF SAID COUNTY; THENCE SOUTH $31^{\circ} 32' 01''$ WEST ALONG SAID NORTHWESTERLY LINE OF SAID TRACT NO. 30288, A DISTANCE OF 131.34 FEET TO THE MOST WESTERLY CORNER OF SAID TRACT NO. 30288, SAID POINT ALSO BEING A POINT ON THE NORTHERLY LINE OF TRACT NO. 13480, AS PER MAP RECORDED IN BOOK 362, PAGES 26 TO 28 INCLUSIVE OF MAPS, RECORDS OF SAID COUNTY; THENCE NORTH $62^{\circ} 36' 53''$ WEST ALONG SAID NORTHERLY LINE 371.19 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF PASSONS BOULEVARD, 40 FEET WIDE, AS SHOWN ON SAID MAP; THENCE ALONG SAID SOUTHEASTERLY LINE NORTH $27^{\circ} 30' 37''$ EAST 131.00 FEET TO THE TRUE POINT OF BEGINNING. SUBJECT TO A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS, PUBLIC UTILITIES, AND DRAINAGE OVER THE NORTHEASTERLY 15 FEET THEREOF.

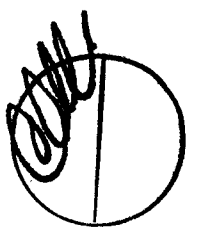

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PARCEL B

A NON-EXCLUSIVE EASEMENT FOR PUBLIC INGRESS, EGRESS, UTILITIES AND DRAINAGE OVER THE SOUTHWESTERLY 15 FEET AND THE SOUTHEASTERLY 30 FEET OF THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF LOT 3, RIVER BLOCK IN SUBDIVISION OF THE RANCHO PASO DE BARTOLO, IN THE CITY OF PICO RIVERA, AS PER MAP RECORDED IN BOOK 6, PAGES 204 AND 205 AND IN BOOK 23, PAGES 55 AND 56 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF TRACT NO. 15667, AS PER MAP RECORDED IN BOOK 348, PAGES 29 OF RECORDS OF SAID COUNTY, SAID CORNER BEING A POINT IN THE SOUTHEASTERLY LINE OF PASSONS BOULEVARD, 40 FEET WIDE, AS SHOWN ON SAID MAP; THENCE ALONG SAID SOUTHEASTERLY LINE SOUTH $27^{\circ} 30' 37''$ WEST 183.00 FEET; THENCE PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID TRACT NO. 15667, SOUTH $62^{\circ} 36' 53''$ EAST 380.41 FEET TO A POINT IN THE NORTHWESTERLY LINE OF TRACT NO. 30288, AS PER MAP RECORDED IN BOOK 741, PAGE 88 OF MAPS, RECORDS OF SAID COUNTY; THENCE NORTH $31^{\circ} 32' 01''$ EAST ALONG SAID NORTHWESTERLY LINE OF SAID TRACT NO. 30288, 175.24 FEET TO THE MOST NORTHERLY CORNER OF LOT 1 OF SAID TRACT NO. 30288, SAID POINT ALSO BEING A POINT IN THE SOUTHWESTERLY LINE OF BALFOUR STREET, 60 FEET WIDE; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE OF BALFOUR STREET THROUGH A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 260.00 FEET, 24.08 FEET TO THE SOUTHWESTERLY LINE OF THE AFOREMENTIONED TRACT NO. 15667; THENCE NORTH $62^{\circ} 36' 53''$ WEST 370.06 FEET TO THE POINT OF BEGINNING.



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